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The Financial World

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No Advertisements Will Be Published By This Paper

THE OTHER SIDE

The Financial World will be a paper of "the other side." Everything has two sides and so have the investment offers with which the newspapers are crowded. The enormous activities brought about by the present era of prosperity have for months made themselves considerably felt in the field of creating new companies whose stock is offered to the public and quickly taken. Some of the stock is good, but the majority is rotten stuff, not worth even the paper on which it is printed. When a Chicago fiscal agent of a number of these companies, who a year ago had not enough money to pay his board bill and since then has accumulated over $75,000, can cynically state that he will not buy back all the stock he has sold for $100, it becomes evident that enormous quantities of absolutely worthless stock have been unloaded on the confiding public.

Of course all financial propositions are represented to investors just as the financial agent or broker wants them to be seen in order to be purchased. Hopes of ridiculously high dividends are held out, claims that buyers will become immensely rich if they would only part with a few dollars are put forward, and the dear people, in their childlike greed and confidence, buy, for they see only one side—the rosy side. "The other side" that contains hard facts, sober arguments and well meaning warnings, is not shown. Few like to show it, for it is not a pleasant task to throw dreamers out of their heavens or to tell to those who have parted with their savings of years that they have been defrauded out of their life savings and of what they have laid aside for rainy days or old age.

But this "other side" cannot be hidden for all time. It must come out and it always comes out when investors, rich in hopes but poor in mind, finally, after patient waiting, begin to see that no dividends are coming and therefore are getting scared and distrustful, try to sell their stock without finding a buyer even at half price. That this "other side" begins to force itself to the surface is evidenced by the change in the faces of the patrons of the many fiscal agencies in Chicago. Formerly investors used to call at their office, parting with their money and leaving with their artistically printed stock certificates and a happy smile on their faces. Now, as can be read on the faces of these very people when calling at the offices of these fiscal agents, there is nothing but anger and indignation there, and the expression that they realize having been swindled by unscrupulous fakers.

If these investors would have been shown "the other side" before they invested they would be richer and happier today. Therefore, if intending investors are shown "the other side," if they wish to see same, less people will furnish object lessons of the saying that the fool and his money are soon parted and less money savers will be robbed of their savings and their hopes.

If, among the millions who are looking around for investments, there cannot be found at least 100,000 who will cheerfully invest half a dollar before the end of this year in this paper of "the other side," a paper that will show them "the other side" at the same time when the rosy side is shown to them, then "the other side" will withdraw, and Barnum's famous saying that the world wants to be humbugged will only find another confirmation.

IN RECEIVER'S HANDS

Although the bicycle trust has gone into the hands of a receiver it is reasonably certain that the promoters instead of losing anything, received all the profits that this combination ever made from the date of its organization. It is the dear investor who is now holding the bag. This should teach that vast army of lambs who follow Wall Street and believe everything emanating from there to be gilt-edged, that the biggest schemes to part the public from their money are hatched from there. If you don't believe it look at the outcome of the Copper Trust and how about the Leather Trust? Have the holders of the common stock ever made a dollar out of their holdings?

THE FINANCIAL WORLD'S MISSION

In view of the fact that there are already several dozen financial papers in existence, a new one would seem superfluous unless it is published on lines quite different from those followed by already existent financial publications. The FINANCIAL WORLD will be such a different publication. Quite a number of financial periodicals are of interest only to financiers, bankers and speculators. They are teeming with quotations of prices, legal decisions pertaining to financial topics and other dry matter, and usually act as valuable mediums to put rich men suffering from insomnia to sleep. Then there are financial papers published in the interest of firms wishing to unload all kinds of securities, irrespective of their value. These mediums are used to boom enterprises without regard to merits, and therefore act as ropers-in- for the unwary.

Among the many financial papers in existence, there are heardly three worthy of that name, but among all there is not one to keep small investors and speculators posted on all current events and especially on propositions that are daily offered by advertisements. It is hardly exaggeration to state that more than one-half of the financial propositions advertised in the daily and Sunday papers are the rankest frauds, and the people are annually robbed of millions and millions by fascinating schemes, while the men who achieve their ends by promising to make the dear people rich at a time when they themselves are broke are the only ones that profit by such "get rich quick" schemes. To put out danger signals for investors who are continuously misguided by fraudulent advertisements will be the main mission of the FINANCIAL WORLD. By doing this it will fill a real want. It will try to execute its mission honestly and fearlessly. The FINANCIAL WORLD will not advocate the purchase of stocks or bonds of any nature, as it does not wish to act as Providence for its readers or take the responsibility for mistakes. It is nobody's business to tell any one what to do and where to go, but it is the duty of every honest man to warn his fellow-citizens against traps and dangers.

Only one well acquainted with actual conditions can form an adequate idea of what enormous sums the public is defrauded of every day by alluring advertisements of fraudulent investments that will never bring the investor a cent back but only enrich the seller and his confederates.

Since the return of prosperity, after a period of great depression, the public has accumulated large amounts, which it is always anxious to invest. Every man is naturally desirous to let his savings work for him and earn a larger rate of interest than savings banks pay. Of these natural conditions and of the cupidity of the money-making classes to get rich, or at least to provide for rainy days, unscrupulous schemers are making the most. Worthless stocks are constantly being unloaded on the public in enormous quantities. The newspapers are full of propositions containing nothing but misstatements and falsehoods. The perpetrators start with nothing but nerve and become rich by fleecing the public mercilessly, day in and day out. To instruct and enlighten the investing public will be the sole purpose of this new financial paper.

To prove its honesty of purpose, the FINANCIAL WORLD *will pursue the policy of not accepting advertisements of any kind or nature.* Unlike other publications, whose principal source of revenue comes from advertisements, it will try to exist by its subscriptions alone. By doing so, it will not make its existence dependent on the good will of advertisers, but only on the appreciation of its readers of the services rendered to them. That there is room for such a publication can best be judged by the fact that the brokers, or so-called fiscal agents in Chicago alone, selling all kinds of mining, oil and industrial stocks, have on their books over half a million names, and undoubtedly several times as many names are on the books of brokers in the other large cities. Therefore it stands to reason that a publication like this, which by its contents will convince everybody of its reliability, must soon have 100,000 and more readers, and we feel confident that this will be the case with this paper before the end of this year. The subscription of this very class of people, who need information regarding the merits of advertised propositions, at the price of 50c a year, will be sought by the FINANCIAL WORLD, and unless the world prefers to be robbed, it will freely respond to our invitation to subscribe for a paper that for a small sum will give them information what to let alone. The FINANCIAL WORLD will seek every legitimate channel to reach especially small investors and by representing their interests and nothing else convince them that the subscription price of 50c is a very small premium against losses that may be the outcome of investments without investigation.

When fakirs once know that the avenues of handling all kinds of worthless stock are closed to them, promoters of honest enterprises will have a show. Today such enterprises are not advertised, or only unsuccessfully, and their stock is not offered for sale, simply because the men back of same know that they cannot compete with fraudulent propositions in regard to promises and misstatements put forth in same. Promoters who wish to have the freedom of robbing the public for a few months can promise $500 or $1,000 on every dollar, because promises are cheap, but honest men cannot take refuge in such tricks, and therefore have no means to interest the public.

In this era of general prosperity, millions could be easily obtained for the development of meritorious industries, good mines and other properties, and in this way the whole country could be immensely benefited, but under the present conditions the development of such properties is in most cases only a pretext to fleece money-savers.

Not only in the columns of this paper, but also by correspondence, will the FINANCIAL WORLD try to enlighten its readers. Every yearly subscriber will, during the life of his subscription, be entitled to full reports relating to his holdings of stock or intentional purchases, provided he sends us a self-addressed stamped return envelope. These reports will contain the results of careful investigation and will be as valuable to their recipients as those which the great commercial agencies furnish their subscribers.

That a publication of the character of the FINANCIAL WORLD will, from the start, meet with the abuse of fakirs and swindlers, whose circles it will disturb, stands to reason. All plunderers of the public and their journalistic hirelings will fiercely attack this paper, but they will not be able to overcome the honest facts and convincing arguments this paper will produce.

OUR INFORMATION BUREAU

The FINANCIAL WORLD will try to furnish its subscribers only reliable information on all financial topics. Especially will this information be valuable for those wishing to know the merits and value of stock either already purchased or which they intend to acquire.

This information will be communicated to subscribers only when stating in their letters by which they make inquiries that said information is asked and obtained with the understanding that it will not be made public, but considered as a strictly confidential communication, and shall never be communicated to the persons or companies to whom it refers. Letters inquiring for information in which the inquirer does not promise to keep all communications confidential will be ignored, and so will all letters that do not contain a self-addressed return envelope.

EXPORT 22

A year ago the shares of the Export Oil and Pipe Line Co. were advertised at 75 cents and later on the price was advanced to $1 a share. Sanford Makeever, 84 Adams street, Chicago, Ill., was fiscal agent for the West and his advertisement promised big dividends and fortunes to investors. Great strength was laid on the fact that Hon. Charles A. Towne, of Duluth, Beaumont and New York, former United States senator, was the president of the company. What has become of the early dividends? What of the fortunes that the investors were to make? Today these shares are offered at 22 cents without finding buyers. Sanford Makeever, the western fiscal agent, and Walter C. Hudson, the eastern fiscal agent, have become rich. There were fortunes in that stock, but they have been made only by Hudson and Makeever.

EASTERN CONSOLIDATION

The Eastern Consolidated Oil Co. (L. E. Pike & Co.) is again offering its "dividend-paying" stock at 50 cents a share, assuring intending investors that the price will soon be $1 a share. This proposition has so often been branded as a fraud that it ought to be known as such to all by this time. The dividends are, it is claimed, paid from the proceeds of sales of stock. That this stock still finds buyers shows how credulous the investing public is.

IDAHO GOLD MINES DEVELOPMENT CO.

This is a $2,500,000 company, whose shares are offered at 10 cents. Investors are told that they are let in "on the ground floor." The prospectus speaks of mountains of gold and promises fortunes to investors. Back of this company are the same people who have months ago tried to unload the stock of the Chicago-Texas Export Oil Co. on the public. There is gold in the Thunder Mountain District, but the Idaho Mines Development Co. is nothing else but a stock-jobbing scheme.

Mr. Makeever has always had the nerve to go before the public with the most impudent schemes, but this Idaho Gold Mines Development Co. seems to have even overdone him and he seems to be afraid to connect his name too much with this concern.

Mr. Makeever himself in a recent letter to an acquaintance declared the whole enterprise a fake.

FISCAL AGENTS

Companies of merit that wish to sell stock ought to steer shy of fiscal agents, who during the last twelve months have floated large quantities of worthless stock. They have lost the confidence of the investing public and are in disrepute. Their offices are crowded with kickers who are constantly complaining that they have been badly taken in. Some of the Chicago fiscal agents knowing that they are played out here, begin to leave this field and are transferring the field of their usefulness to New York, where their victims cannot bother them.

CHICAGO-TEXAS EXPORT OIL CO.

Early this year the stock of this company with a capitalization of $2,500,000 was advertised and sold at 50c a share. The company owned one gusher which had been acquired for about $14,000. Sanford Makeever, 84 Adams street, Chicago, Ill., was the seller of this stock. If this stock would be offered today for 5 cents a share it would hardly find a buyer.

THE AMERICAN-CUBAN DEVELOPMENT CO.

This new bidder for the dear people's money is the most liberal in its offers. With one hundred shares for which $100 is charged goes a "city lot," also in a city that does not exist. In its prospectus the usual enormous dividends are assured. Further, the following exhilarating statement is made: "If you buy 100 shares of following stock at $100, you receive not only the stock but a city lot also, and you cannot buy the city lot of us today for less than three months for more than $100." This is evidently intended for incurable suckers only.

WIRELESS TELEPHONE COMPANY OF AMERICA

This company has its headquarters at No. 11 Broadway, New York, while in the West the Chicago Security & Trust Co., with offices in the National Life Building, Chicago, acts as selling agents for the stock. Back of this enterprise are Gerald M. Fennell & Co., "Bankers," also located at No. 11 Broadway, New York. These so-called bankers have for years exploited a number of other questionable stock-jobbing schemes, among which stands prominent and above all others, The Tripler Liquid Air Bubble. Through this swindle, which is just being investigated by the courts of New York City, Fennell & Co. have fleeced the public out of nearly $1,000,000. When the bubble burst it was found that Fennell & Co. had made a fortune, and it was likewise discovered that Tripler never had the patent he claimed. The record of the parties who are trying to sell the stock of the Wireless Telephone Co. ought to be sufficient warning to intending investors.

English capital in its hunt for new channels for investment has found the Texas oil fields to offer inviting inducements with the usual result which is characteristic of our neighbors from across the sea, they are represented in volume of money, number of wells, transportation companies and refineries, more generously than any other nation, and when ranged beside American capital indicates that they are even more optimistic of the future of the field for making money than our own capital.

INVESTORS CANNOT BE TOO CAREFUL

An Idaho paper, the "Mining Record," of Cœur d'Alene, Idaho, warns investors against bold promoters of fraudulent mining propositions to fleece the people by representing their claims to be "greater than Cripple Creek, greater than Klondike, greater than the African Rand, or greater than the mines of King Solomon."

"The Mistakes of Moses," according to Ingersoll, are not to be compared with the errors the average run of mining investors make—errors of judgment, errors of reason, errors of selection, and a score of errors of omission. If all these mistakes were not made the dishonest mine promoters would have no source of income, wildcat properties would never be sold, and mining districts with little or no mineral resources would never be fields for investment of mine-making capital, nor would there be one "mining failure" where there are now ten.

The conspicuous fault of what may be called the little investors—those buying a hundred or more shares of stock—is that they do not investigate regarding the real or prospective value of the stock they happen to buy, whether it represents a good property or a worthless prospect, or is issued by a company of designing rascals or is being sold by a corporation made up of honest, well-meaning men for the economical development of a legitimate mining property. Many of these small investors cannot tell whether they have purchased gold, copper, silver or lead stocks, and seldom know anything about the merits or demerits of the district they have haphazardly invested in. A few days ago the writer received a letter from one of this peculiar class of investors containing this amusing inquiry: "In what state is the mine I have bought located?" This inquirer was evidently in doubt as to whether he had invested in a United States mineral location, a New Zealand mine, or a Philippine prospect. His momentary mental anguish reflects the degree of care and caution thousands of stock buyers exercise at the time of purchasing. These investors, as a rule, are the easy victims of the dishonest promoters of absolutely worthless mining property. They embrace a class of male and female wage earners who can ill afford to be thus deliberately robbed. To future small investors the *Record* would furnish this comprehensive advice: First, find out the amount of shares the company has capitalized for and the character of the company's officials; second, whether the property has been little or largely developed, is equipped with or has no machinery, is located near or remote from a railroad, has water for power and timber for mine purposes, or neither of these natural facilities; third, and most important of all considerations, whether the property is located in a district that has a dozen or more dividend-paying mines or is situated in an alleged mineral region that doesn't have a single profit-earning mine. The small investor should bear in mind this incontrovertible fact, namely, that within the boundary lines of the United States there are but comparatively few strictly reliable mining districts—districts, if you please, whose mineral deposits are lasting and furnish opportunities for safe investment of either large or small amounts of capital. Another fact the investor of ordinary means should not lose sight of, namely, that while new mining districts are springing into existence every few weeks, not one in ten develops into anything more substantial than rank delusions. To illustrate the truth of this contention, we shall suggest that the reader take a retrospective peep at the Thunder Mountain gold district, which ten months ago was heralded by a hundred or more irresponsible newspapers as *"the greatest gold camp in the world, outrivaling the Klondike and putting to shame the famous gold fields of South Africa."* The mammoth Sunday editions of the eastern press contained nearly numberless pages of glaring advertisements descriptive of the alleged wonderful yellow metal deposits in the newly christened gold camp, while this array of catchy falsehoods was supplemented by a few tons of like literature furnished and scattered broadcast by the great transportation companies who "played" the unsuspecting public to a beautiful finish, allowing the bold promoters of fraudulent mining propositions to indiscriminately "fleece" the unwary inhabitants of earth. Thus it transpired that all classes were ingeniously robbed by reason of the artificially created Thunder Mountain boom—the rich paid tribute and the poor innocently donated, the while the black angels laughed at the workings of perversity and credulity.

NEW ERA AT ROSSLAND.

Camp Shipments May Reach 10,000 Mark in Future.

Rossland, B. C., Aug. 23.—While the shipments of ore from this camp for the past week are somewhat below the 7,000 ton mark it is conceded that tomorrow will inaugurate a new era in the history of the camp in respect to ore production. For the next few weeks the production will range between nine and ten thousand at that figure. In the past the camp has shipped as high as twelve thousand tons in a week, but this was not continued for any length of time. The Velvet mine has also resumed shipments and its contract with the Northport smelter calls for minimum shipments of three cars per week. High grade ore only will be shipped on this basis, the balance of the output of the property being reserved for preliminary treatment at the mine by the concentrating process now being installed at the mine.

The Great Northern is bringing seventy steel cars especially constructed for service between Northport and Rossland into the city while the Canadian Pacific is placing fifty forty-ton dumps on the Rossland smelter junction run. In Rossland the amended conditions have had a decidedly stimulating effect on all lines of business. A marked feeling of confidence is demonstrated on all sides and the city is certain to enjoy a most prosperous fall and winter.—The Manitoba, Winnipeg, *Free-Press.*

A FAD.

A fad among stock jobbing promoters just at present is to surround their stock offering with some form of guarantee, no matter what ridiculous form the guarantee assumes, believing that the public like hungry mountain trout will snap at the bait quicker. This fad would be beneficial to the public if carried just a little bit further by having some reliable financial institution guarantee these brokers' guarantee—but this is impossible as that cannot be secured. Investors should take no stock either mentally or financially unless the guarantee is backed by some one trustworthy other than the promoter making it.

RAYO MINING AND DEVELOPING COMPANY

The stock of this company is advertised all over the country through the press and by circulars by the Roanoke Investment Co., Marquette building, Chicago. One of the ads. reads as follows:

A Live Income.

For every person that will buy

Rayo Mining and Developiug Co.'s Stock

This stock covers three distinct dividend earning features—namely: developed GOLD mines, ANTIMONY mines, and an ELECTRIC POWER plant, and as any one feature will, alone, pay large dividends on the entire capitalization of the company, you can readily see that combined the earnings will be enormous.

As Safe as a Bank

The properties being fully developed and contracts for electric power having been secured (enough to pay 12 per cent dividends on the entire capitalization), all risk or speculation has been eliminated.

The par value is $1.00 per share, now selling at

50 Cents Per Share

to be advanced shortly to par, for the reason that 15 PER CENT DIVIDENDS on par value will be paid.

Easy monthly payments arranged if desired.

If you have idle money which you desire to invest safely, yet where it will earn you handsome dividends for life, you should investigate this offering.

Then there is also this blind advertisement:

Double Your Money in 30 Days

If you can invest from $250 upwards in the stock of an electric power and mining company it can be absolutely proven that you can double your money inside of the next 90 days. Bank and commercial references furnished to prove every statement made. Address R X 536, Tribune office.

"The fear of being humbugged prevents many people from making a good investment." This sentence decorates the cover page of the prospectus of the Rayo Mining & Developing Co. If any one has been overcome by that fear when reading the prospectus of this company and therefore did not invest, he has hardly made a mistake. In its prospectus hopes of early fortunes are temptingly held out to investors in this company with $1,000,000 capital, consisting of 1,000,000 shares of $1 each, of which 600,000 are claimed to be treasury stock, and the mining claims are put forth as being of enormous value. In its literature the millions are as thick as flies in a cheap boarding house in July. From parties who have no stock to sell and whose business it is to investigate such claims, different reports are coming. Not long ago an interested party received the following report from Los Angeles, Cal.:

"Rayo Mining & Developing Co.

"Incorporated June 18, 1900, with a capital stock of $1,000,000 at $1 a share.

"The directors have stock as follows:

Mr. G. R. Mohr	250,000 shares
Alfred C. LeBaron	100,000 shares
F. M. Stone	150,000 shares
Eugene Thompson	50 shares
C. E. Stoner	50 shares

"The balance of 499,000 shares were reserved as treasury stock. They have four free-milling gold claims and five antimony claims in Kern county, about 50 miles east of Bakersfield. Have no machinery on the property except hoists on one claim. So far 10,000 shares sold at 10 cents a share."

One of the directors further stated as follows:

"Have arranged to sell the stock through the Pacific Finance Co., who expect to place it on the eastern market at the rate of 30 cents a share and pay us 10 cents a share. We have no bank account and no indebtedness."

Although no indebtedness has been claimed the official records show that on July 11, 1900, a certificate was filed creating a bonded indebtedness of $50,000. The same report continued as follows:

"The mining claims are understood to be some old worked-out properties of merely speculative value. The company is not regarded as offering any available responsibility whatever."

Readers will notice that the prospectus of the company does not mention that bonded indebtedness. Mr. Stone, one of the directors, and now superintendent of the mines, was the former owner. The prospectus calls him a miner of thirty years' experience. Mr. LeBaron, the treasurer, is called in the prospectus a man of wide experience as a financier. A commercial report says of him that he is a real estate and insurance broker, whose available means seem to be limited.

According to the reports received from reliable authorities at Los Angeles, the Roanoke Investment Co. probably receives 40 cents per share, while 10 cents go to the company for the development of its property.

POLITICIANS AS FINANCIERS

Wherever a noted politician turns up among the directors of a new enterprise, don't invest in same, no matter whether that politician was formerly a district attorney, governor or United States senator. Nearly every enterprise manned with politicians has turned out either a failure or a swindle. Business men who are picking up politicians as figure-heads usually pay for their services in stock or cash, believing that a politician who has once carried votes will also be able to carry away the money of their constituents, or hypnotize investors belonging to the same political creed as that particular politician belongs to.

Politicians have never been good business men. Watch enterprises in which politicians are represented in the board and you will find they will all go down. Five years ago the Alaska Transportation Co. was started up, for which an Illinois Senator was secured as a director. A great fuss was made at that time by the company for having the U. S. senator on the board of directors. Of course a great many narrow-minded people believe that a U. S. senator is the quintessence of honesty and wisdom, and invested their money and lost every cent of it. The same senator was recently paraded as the leading spirit of a Texas oil company. Watch the end. U. S. Senator Jones of Nevada and ex-Senator Dorsey were the drawing cards of the Tripler Liquid Air swindle, which recently collapsed after having robbed people to the extent of over $1,000,000.

PROMOTERS

An honest promoter is an absolute necessity for the development of a new enterprise. It is to his hard work and ceaseless labor that many of the greatest financial successes have been due. It is to the plodding, hard working promoter that many millionaires of today, who invested in such enterprises as the telephone and the telegraph at their development period, owe their wealth.

Capital never seeks experiment; its basis is cent for cent, absolute, unqualified safety and security; it is not speculative. When it goes beyond 5 or 6 per cent investments it has to be wooed, for beyond that rate of earnings it is considered that risks begin. The lower the sure return on the investment the easier the money is secured. More can be got now at 3 per cent per annum than at any higher rate. The bonds of the United States government and the securities of France, England, Germany and of the great corporations evidence this. But the investors at these low rates are fortunately the very rich or institutions which do not need larger incomes. Next come railroad bonds and certain high class stocks paying 4 or 5 per cent; they have hundreds of millions out in securities. The promoter started them all, but when he got the first capital he promised from 10 to 50 per cent. On the present basis of earnings not a dollar could have been got to found these same strong, conservative institutions. When the promoter wants capital for an enterprise on which he can promise 10 to 12 per cent the trouble begins, and when he has an invention that will return 10 to 1,000 per cent the difficulty increases, but when he wants it for a mine with the possibility of 100 to 5,000 per cent he has the greatest of all tasks on his hands.

And yet look what the mower, reaper, sewing machine, telegraph, telephone, electric light, electric railway and many other things have paid. They have returned thousands of dollars for cents invested.

The public's idea of the promoter is that of a man who exaggerates possibilities, as perhaps he does. The prospector discovers the gold mine, or thinks he does. His work and capacity ends there. He must have capital. He cannot get it himself. First, because he does not know any one who has money to invest, and if he did he would not know how to get him to do so. He would start out by creating distrust by exaggerated statements, and would probably want to give the man with the money one-third interest and retain control of the property, with power to expend the money, and he would hunt forever for the man with the money, without which his mine, however rich, is worth nothing.

He finally gets hold of a man willing to promote it. A fair arrangement is made. The promoter then proceeds to organize a stock company, gets as good men as he is able as directors and officers, and if the business is honestly and intelligently conducted the original owner does well, the promoter profits and the investor gets a good return. This is conditioned upon the money realized from the sale of stock being used in developing the property. If it is not, those who invest, of course, lose, so that the important things are, first, to have a good proposition, and, second, to know that the money paid for stock is invested in its development and operation.

Who are the ones who furnish the money for all the mining operations, factories, mills, railways, telegraphs, telephones, electric light companies and the many enterprises which are constantly being promoted? may be asked. The merchant, the manufacturer, the lawyer, the doctor, the preacher, the workingman and mechanic, the banker and the capitalist, supply it. The securities of the railways, industrial concerns, mines and manufactories, are held by them. They reinvest their earnings and profits. They keep the wheels of industry moving. They furnish the money which they gather together to develop new industries, thus furnishing new avenues for the employment of labor and new fields for the utilization of material and the products of the factory, field and mine.

No; all schemes are not successful. There have been many millions of dollars put out and lost, but there is always a reason. In many cases it is because enough capital could not be secured to carry the enterprise through. In others it is through bad management. But look at the 200,000 miles of steam and the 100,000 miles of electric railway, the vast electric lighting business, the telephone lines, the thousands of factories and mills, the hundreds of profitable mines. Compared with the vast successes the failures cannot be compared. Often the promoter of an enterprise is thrust aside and some one else given charge of the business which he has organized and knows most about. Often he is robbed of his interests by the very capital he has inducted into the business, and often it fails from ignorance, folly or knavery. It is too often the first impulse of capital to cut out and off the man who has given it the opportunity for profit. The inventor, after struggling for years over his ideas, will, as soon as the promoter has secured capital for him and warmed his toes, kick him out of the way and assume to furnish the brains for the capital and ruin the whole business.—*Exchange.*

KING-CROWTHER CORPORATION

The stock of the King-Crowther Corporation, a Texas oil company, is offered on the curb at 30 cents per share without a bid. The company is offering treasury stock for sale at $2 per share.

That the object of this company is the sale of stock, rather than of oil, is evidenced from the fact that it is refusing to transfer stock not purchased directly from the company.

A prominent Boston banking firm recently purchased 1,000 shares of this stock on the curb for one of its western correspondents and received a good, clean certificate, properly endorsed, but when the certificate was presented to the King-Crowther Corporation the officials of that company refused to make the transfer.—*Financial Bulletin.*

SEPTEMBER DISBURSEMENTS

Dividends and interest disbursements for September on railroad and industrial stocks and bonds, according to those already announced, will amount to $42,105,342. These payments in September, 1901, amounted to $46,627,458. The reduction of Standard Oil dividends from $8 to $5 per share for the third quarter accounts for as much as $3,000,000 of the apparent difference. For the current month disbursements on the stock of railroad companies will aggregate $8,848,788, as compared with $12,952,000 for September of 1901. Industrial companies will pay $14,872,431, compared with $17,352,000.—*Ex.*

BRITISH COLUMBIA MINES

Of all great mines pounding out dividends as regularly as the government meets its interest charges upon its bonds, those of British Columbia are considered among the most valuable. They are rich in ore, among dividend payers, rank at the top of the list. Stock is obtainable in only a few of these mines, as most of the companies are close corporations, controlled by rich men. Occasionally stocks in British Columbia mines are offered in the United States. The reason for the lack of opportunity to make investments in these excellent properties, is that the ordinary promoter cannot obtain cheap or worthless claims in British Columbia, to make them the basis of companies with many million dollars' capital, and what stock is sold usually is not advertised but very quickly taken up by many investors intelligent enough to discern the desirability of the Canadian mining stock compared with what is offered in this country. Claims of any promise in British Columbia cost considerable money and therefore are considered non-available for stock-jobbing purposes. Comparatively very little money has been lost by investors in British Columbia mining enterprises.

The mines of British Columbia, according to the statistics just published for 1901, covering the returns from all the properties, show an increase in the value of minerals produced of $3,479,750.

As the snow melted much more quickly than usual during the early Spring, a lack of water was felt in Summer and consequently there is an appreciable drop in the placer gold production. But the increase in the production of lode mining made up for it. The output was 871,832 tons in 1901, against 554,796 for the preceding year, equal to an increase of 57 per cent.

The output of lead is the only one which does not show an increase. The low price paid for that metal has discouraged mining, except when lead was accompanied by good values in silver. The gross value of the output of gold has increased 36 per cent, that of silver has increased 14 per cent, and that of copper shows the splendid increase of 206 per cent.

The following table shows the results for 1900 and 1901:

1900.

	Quantity.	Value.
Gold, placer (ounces).	63,936	$1,278,724
Gold, lode (ounces)...	167,153	3,453,381
Silver (ounces)	3,958,175	2,309,200
Copper (pounds)	9,907,080	1,615,289
Lead (pounds)	63,358,621	2,691,887
Coal (tons, 2,240 lbs.).	1,439,595	4,318,785
Coke (tons, 2,240 lbs.)....	85,149	425,745
Other materials	....	251,740
Total		$16,344,751

1901.

	Quantity.	Value.
Gold, placer (ounces).	43,204	$ 892,500
Gold, lode (ounces)...	227,696	4,704,200
Silver (ounces)	4,685,718	2,625,002
Copper (pounds)	30,736,798	4,951,698
Lead (pounds)	50,529,260	1,970,641
Coal (tons, 2,240 lbs.).	1,529,210	4,587,630
Coke (tons, 2,240 lbs.)	134,760	673,800
Other materials	....	309,030
Total		$19,824,501

A GOOD THING FOR OIL

The most consistent commercial agent Texas and other fuel oil fields have as yet had among manufacturers, is the present long drawn out coal strike in the anthracite fields. Manufacturers have been brought face to face with the fact that it is best not always to rely solely upon coal for fuel, while the saving in price if the supply can be depended upon would be another great advantage, with the result a great many manufacturers throughout the country are figuring on using oil for fuel in their factories who otherwise would not at this time have given the matter serious thought. The increase in the consumption of fuel oil for which the present coal strike is responsible cannot be measured in dollars and cents, so far reaching in this direction has been the effect.

THE GRAPHITE INDUSTRY

According to the government official reports for 1896, 1899 and 1900 on graphite, this country depends upon imports for its principal supply of this valuable mineral. In 1898 over 13,480 tons were imported and in 1899 over 20,790 tons. The government official report reveals likewise the startling fact that while the imports increased but fifty per cent in quantity, the increase in value was over 200 per cent, it being in 1898 valued at $743,820, and in 1899 $1,990,649. Most of the graphite imported comes from Ceylon, Austria and Australia. Mexico has a good graphite mine. There were a few small mines in this country, but the accidental discovery in the Black Hills, South Dakota, near the village of Rochford, while prospecting for copper, of a vein of good graphite in a volcanic ash bed, from ten to twenty feet wide running from the summit of the hill to the river level, a distance of 4,000 feet, or nearly a mile, it is said by geologists familiar with this valuable mineral, will place the United States first among nations as a producer. At the present time all the graphite mines, including the recent discovery in this country cannot supply the world demand for this product. The market price of graphite runs from $30 to $300 a ton, depending upon the percentage of carbon for its value, the higher the percentage the better the market price for the mineral. Graphite enters into many uses. Combined with a linseed base produces a paint that cannot be equalled. It will outlast four coats of paints made from white lead, zinc white or red lead. The paint industry itself could consume many times the present world's supply. Contractors for bridge or any steel structural work cannot secure enough graphite for their wants. As a coating for steel it is indispensable. Graphite is indestructible; no gases or the wear of time can penetrate to the steel through its coat. The remarkable graphite mines of South Dakota and adjoining in Wyoming, with some exceedingly good indications in Colorado, have come as a boon to those depending upon this mineral in their work, as it brings assurance of increased production. The government reports have set many prospectors hunting for graphite prospects, but it remains to be seen if the present fields will be increased by additional mines.

RAILROADS

In the Monon (Chicago, Indianapolis & Louisville) Railway Mr. Morgan has secured a fine property as evidenced by last year's returns. The net receipts in 1901 were $1,496,928, and in 1902 $1,728,025, which means an increase of $231,097.

The Chicago, Rock Island & Pacific railway have declared their regular quarterly dividend of 1¼ per cent, payable November 1.

The Financial World

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Active finance and not financial theories will be discussed in this publication.

When millions of "ore" are in sight and you believe in it, your money will be out of sight.

The last chance of a fortune you see so often advertised if you miss it will not be your misfortune.

When speculating, better keep in mind that the market will not always go one way; therefore, take profits when you can.

If you are looking for information and fail to find same in this paper, write for it. Subscribers will receive all information we can secure.

Nobody in this world needs information as badly as the dear investor, who is haunted with a thousand schemes to make him immensely rich.

With consumption of Texas fuel oil on the constant increase the price per barrel at the wells must in accordance with the law of supply and demand also keep pace.

Trust company securities at present are in favor with the gilt-edge followers of investments, for the reason that trust companies are earning big dividends upon their stock.

Paying dividends that have not been earned is a criminal offense. The papers are full of dividend paying propositions whose authors will wear stripes some of these days.

The St. Paul directors declared 3½ per cent semi-annual dividend and one-half of 1 per cent extra. Both common and preferred stock now pays 7 per cent. The common before paid only 6 per cent.

The Baltimore & Ohio Railroad has authorized the issue of $42,000,000 additional common stock, to pay for equipment already acquired, and $20,000,000 for what is to be acquired.

A stockholder of a Louisiana oil company which is boring for oil near Crowley, La., secured some crystals which the drill brought up. A local jeweler pronounced them equal to the famous South African diamonds. Let us hope this yarn will not supply the foundation for a boom in diamond drilling companies.

At Point Richmond, Cal., across the bay from San Francisco, the Standard Oil Co. is completing its immense refinery. The long pipe line reaching from the Kern Co. field to the seaboard is nearly done. Both these enterprises cost nearly $3,000,000. It will give the California oil fields the facilities long required to place the business upon a profitable basis.

Investors should bear in mind that dividend-paying companies' stock is not always a profitable investment, especially when the stock is being advertised for sale and pressure brought to bear upon the fact that it is paying regular dividends. Usually such enterprises cease paying dividends after they stop selling stock. It is the old syndicate speculation scheme dressed in a new garb.

Spindle Top has delivered since the first of August over 14,164,182 barrels of oil. This is a remarkable record for a field that will have arrived at the celebration of its second anniversary the middle of next January, and Spindle Top feels as young today as it ever did, with the exception that it is not so generous with its product as heretofore when it was pouring out the oil at the rate of fifty thousand barrels to a well every day.

One of the most remarkable exhibitions of nerve, towering into the sublime, is a so-called eastern financial weekly throwing about its shoulders the garb of a protecting angel to watch over the intelligence and pocketbooks of investors for fear they might be parted from their money. Any parting that is to be done will be done by the many stock-jobbing schemes the brokerage firm is interested in, in whose behalf this paper is published.

Several years back England was gambling heavily in brewery stocks, which at that time was the speculative fad. Over forty-seven companies were formed, and many American brewers at that time discovered selling plants to English syndicates was a better snap than brewing beer. The *Economist*, of London, a leading financial paper, tabulated recently the aggregate market value of these securities. Its table shows that since the date of organization of these companies their assets have shrunk over $45,000,000. It will be a long time before English capital will again look upon breweries, except the beverage, with kindly eyes.

DEPRECIATION IN THE VALUE OF SILVER

The exchange rate in Mexico, according to telegraphic reports at the quotation of 244½ Mexican dollars for $100 United States money, making one Mexican dollar equivalent to about 40⅞ cents United States money, the lowest price on record.

On the basis of the present London market price for silver, viz., 24 3-16d per ounce, the above rate for Mexican dollars equals its intrinsic silver value, so that the former premium on Mexican dollars for the moment has disappeared.

The fall of the price of silver and with it of the Mexican dollar is a very serious matter to the Mexican government, as also to the various Mexican railroad companies on account of their large obligations regarding the payment of interest, etc., on their outstanding gold bonds.

While the average price of Mexican dollars during the last year was still at the rate of about 48 cents United States money, this year's average will be hardly above 42 cents, barring the unforeseen event of a considerable rise in silver.—*Exchange.*

THE REAL WEALTH

The intrinsic value of stock offered to the public as investments does not rest upon brokers' bright promises of wealth, or in the printed matter, or in the prominence of the board of directors and officers, but in the future of the property, where located and its possibilities of bringing returns upon the project's capitalization.

It is only natural, in times of prosperity, such as the country is now passing through, that people with money seek channels of profitable investment. It also happens that such periods breed and hatch like larvæ the stock-jobbing promoters, who will incorporate and over-capitalize any enterprise—be it a hole in the ground for a mine, land under water for a colonization scheme, barren rock-strewn ranches for the cattle-grazing industry, dry holes for oil drilling, and countless other imaginary enterprises, as long as they afford a nucleus upon which to erect a company.

A venture will be capitalized at a big figure, usually in the millions. The English language is exhausted for highly colored words which mean nothing, to paint a bright picture of the immense profits the enterprise is going to make. Fortified with this armor, the stock-jobbing broker attempts to inveigle the investors into his net.

They overcrowd the columns of the metropolitan newspapers with their financial offerings, all promising returns upon investments that exist only in the imagination and last as long as the sale of the stock goes on.

That the majority of these dishonest brokers succeed is apparent from the repetition of their announcements, which otherwise could not be continued if the investing public did not bite.

When such companies disappear from the advertising columns of the newspapers all hope of investors to secure returns upon their money disappears also.

Why people will continue to bite at such propositions passes understanding. Surely any intelligent investor who will take the trouble to investigate thoroughly before investing and not permit glowing promises of immediate, and immense profits to blind his better judgment will experience no trouble to discern between what offers a good investment and what merely is an elegant engraved certificate as a return for his money.

In Hartford, Conn., there lives a broker, Pike by name, who, before he struck it rich working the public, owed not only his landlord, but other house holders, many months' rent. Today he occupies a mansion costing $65,000, for which an army of investors, mostly wage earners, have contributed their mites.

He started the scheme, or rather revived the scheme, of paying dividends while selling stocks. For months he has been advertising his Eastern Consolidated Oil Company through the daily papers the company was paying dividends monthly of a certain percent. The stock is regularly advanced upon a fictitious value.

At every advance a hungry clientele crowds into different branch offices and burden the mails with orders for stock.

What will become of the company when the dividends will cease?

The assets of the company can undoubtedly be purchased at one-thousandth part for what the enterprise is capitalized.

This ought to teach investors an invaluable lesson, but it seems it has not, that any company that has passed its development stage and is earning money to pay regular dividends does not require extensive advertising to sell stock, but finds a ready market of its own accord, like all profitable investments will, for the public is always looking for and will find out where to secure stocks that are paying regular dividends. Ninety-nine times out of a hundred an intelligent investor is safe in stamping in his mind a dividend paying stock as a rank fraud which requires a fortune in printers' ink to secure buyers.

Intelligent investors know beforehand it is a swindle. All advertising that is done is required, because suckers must be found to buy the stock, and to interest suckers to buy and recommend their friends to bite, nothing accomplishes it so well as paying dividends regularly, which in other words is only giving investors back a dole from their own investments to increase their appetite for more. Investors should take into consideration that as long as there are open channels for thorough investigation into a property's merits through reliable commercial channels, there is no necessity of recklessly and blindly jumping into traps. We are not declaring that by investigating before investing solves an invariable method for making profitable investments, but it is a safeguard against being robbed deliberately.

A person can put his money into a solvent bank and months later, through unforeseen circumstances, the bank may fail; but whenever this happens there always remains some salvage in the shape of assets, which does not make the investment a dead loss.

Likewise companies with the brightest chances before them may encounter conditions which later on may act reversely, but in such companies investors do not lose everything.

It is a sad commentary that legitimate investments today cannot be profitably advertised. The men back of the legitimate enterprises dare not make the same promises that the stock-jobbing broker does, for he has to deliver what he promises, while the other never expects to, consequently what he says does not harm his reputation, for he has no reputation to lose.

SITUATION ON SPINDLE TOP

Those who have settled down to the belief that the days of Spindle Top and the Beaumont oil industry are things of the days that are gone should take the time and trouble to visit the spot of ground on which the oil wells are situated and the various places which have become centers of industry since the oil field was discovered.

Rome was not built in a day, nor has the oil field been developed in a day, but in less than a year and a half in which the real work has been going on wonders have been accomplished around Spindle Top. One who has not been around the oil field and to the eight or more places off the hill where construction is going on has no conception of the millions of dollars that have been spent for iron, steel, timber and labor. And the end is not yet.

Right on Spindle Top, where some people would make believe there is nothing doing, and where nothing has been doing for several months, are men working as hard as men can work. A little city has grown up around the oil field and men engaged in many classes of work live in the city.

Just now the rush is to get pumping equipment to some sort of work.—*National Oil Reporter.*

MISTAKES OF WISE INVESTORS

The New York *Journal* in a recent editorial, made the following interesting remarks:

"The fact that almost invariably in investigating the estate of a very rich man there are found many shares in the wildest sort of enterprises has been taken as a text to show that even the wisest of investors are subject to being deceived by promoters of fanciful enterprises. The solution of the apparent contradiction lies deeper than this. Thirty years ago no enterprise that did not bear on its face the stamp of success, perfectly plain and commonplace, had a ghost of a chance with the men who had large capital. Telephone stock at that period was the wildest sort of 'cat.' Conservatism was the mark of the business age, and the ordinary banker or other business man would have thought it almost as much to his detriment to be known as an investor in the telephone machine as to have it generally understood that he was addicted to visiting gambling saloons. The result was that all the big men in the money market allowed the telephone to get by them, and a brand new crop of millionaires was made when the new invention became a great public convenience with an almost unlimited possibility for profit and inherent quality of monopoly."

Mr. Edward Conway, an able writer on financial topics, comments on this in the *National Oil Reporter*, as follows:

"Now I can explain why when the rich men die you will find a lot of 'cats and dogs,' as they are called, among his estate. That he is rich is due to the fact that he has invested his money properly. The securities in stock that have made him rich were the securities which were not left behind and called 'cats' and 'dogs,' but were selected in exactly the same manner as all the other stocks, and when they became very valuable or either sold at high figures or kept in the estate, but were not called 'cats' and 'dogs.' If you buy today the stock in new companies after full investigation, companies I can name who are as solid and thoroughly organized as any companies can be, with prospects that bid fair to pay the yearly investor tremendous profits, doubtless at the end of ten years, while eight out of ten of them have proved extremely profitable, two out of ten have by mismanagement or some other misfortune gone to the wall, but the investor has made his money; where else could he make it? What other investments can be found that will pay such a percentage? I am speaking of oil stocks mostly, but other enterprises are certainly worthy of the deepest consideration.

"Among the letters received, many have said I was a lucky man. I do not believe in luck, only as an expression. You are fortunate or unfortunate, depending wholly upon what you do to make yourself so. The most lucky individual that ever lived could not become wealthy in savings banks or 6 per cent interest investments; no indeed. To send a good healthy dollar to a life insurance company, building loan association or 4 per cent savings bank is consigning it to a hospital life and worse, for you make it an invalid by so doing. Take your dollars and send them out to get jobs in good, young, healthy enterprises where you are certain their employers are doing a legitimate business, and see them work, compound and breed, as it were, and send home monthly, quarterly or semi-annually dividends that all go to help you."

THE OIL SITUATION

The future was never so propitious as it appears at present for strong oil companies operating in the Texas Oil Fields. The demand for product constantly on the increase. The price of oil keeping pace

It is just a year and eight months ago when the Lucas gusher in a night made Texas famous as an oil state and brought down upon the little city of Beaumont a clamoring horde seeking sudden wealth out of the greasy fluid that seemed to underly the earth in all directions of the compass.

Like every boom, the Texas oil boom finally died, but while the excitement lasted, many companies were organized, over-capitalized and sold stock as rapidly as their clerical force could issue certificates. As a result, all over this broad land and in many foreign countries, especially England, there are thousands who are owners of elegantly engraved certificates, with the well known picture of an oil derrick in the corner.

When the boom was at its apex, companies were organized and chartered at Austin, the state capitol, at the rate of 10 to 50 a day, none less than $100,000. A few were modest by placing their capital at $500,000, while the majority could not get along on less than $1,000,000 and above. This was in the early days.

Everywhere a eight-seer turned on the four business streets of Beaumont, canvas signs of oil companies glared him in the face. A year after, over 200 companies forfeited their charters, and accompanying them at their death, as mourners, attended the hopes of thousands who expected to become rich over night.

At the present time, there exists one company where formerly there were 20.

The field has also witnessed great changes. In the boom days, wells were drilled wherever land was owned. Acreage sold as high five miles from the proven district as $3,500 an acre. The nearer the land to Spindletop, the more valuable it was. It was not considered a high price to pay for 1-32 of an acre in the heart of Spindletop, $2,500, when it was proven that the only oil about Beaumont must be found there.

It is not the intention of this article to recount the past, with which all who were interested in Texas oil fields are familiar, but to draw a comparison between the past and the present as a moral that those who were not carried away by the excitement attending the first discovery of oil, but waited until conditions became normal, were not only wise, but had an opportunity to invest in enterprises which now promise to reimburse them quite handsomely upon their money.

An experienced oil man, who has been through a number of oil booms, informed the writer in the strenuous days when a bed and a bath in Beaumont was luxury and people had to stand in line to secure food, that the oil field would never amount to anything until it settled down to a pumping proposition, for as long as oil gushed from the well at the rate of from 20,000 to 50,000 barrels a day, the supply would far exceed the demand and oil prices in consequence would be demoralized, because there was more of the product to be obtained than was needed and every owner of a well wanted to sell oil.

This prophesy, made when the gentleman was looked upon as a disappointed fortune hunter, conditions today prove to be true. The wells on Spindletop gush no longer.

They have to be agitated, but even today there is no field that duplicates it. The price of oil has advanced and at present prices long-time oil contracts cannot be secured, as producers realize that in a few months prices will be much higher, if not double what they are today.

The refineries already built and those being constructed represent an investment running into the millions. Capital is not going to tie up fortunes, which depend upon a continuation of the supply of oil to become a financial success, unless the permanency of the field is assured.

These refineries will consume an enormous amount of oil. The continued increase in the demand for oil as fuel for railroads that are changing their motive power from coal to oil, and the manufacturing interests throughout the country, adopting oil for its economical features, is gradually increasing the market to the point where the demand taxes the supply, a state in which any production must be in order to make it profitable to the producers.

The companies operating on Spindletop today are bound to make money, and if they do not, it will be because they are in the hands of wreckers, or badly mismanaged. Investors in present companies, which have survived the boom, will have to guard against this, and the ever present danger to the weaker companies that if a consolidation of the strong companies takes place as it has done in the Ohio and Pennsylvania fields, when the Standard Oil Co. organized, may place them at the mercy of such an octopus. It is the prediction of a great many experienced oil men that there will be a consolidation take place in this field like it has in other fields. Should this occur, all strong companies, such as the Higgins, Heywood, Texas Fuel, Guffey and Producers must be considered to become a success. The future alone will show if this will happen, but present conditions seem to point to its possibility.

As to conditions for Texas oil, they were never brighter or auspicious as they are at present.

AMERICAN BICYCLE

According to the bill of complaint the American Bicycle company has liabilities of more than $10,000,000 and marketable assets of $7,751,523. Among the obligations are given a series of debenture bonds, 5s, aggregating $9,500,000. The available cash assets are placed at only $20,000. The following will undertake the reorganization: George F. Crane of Baring, Magoun & Co.; George A. Read of Vermilye & Co.; George W. Young of United States Mortgage and Trust company, and F. S. Smithers and Colgate Hoyt.—*Ex.*

GOLD IN THE TREASURY

The sum of gold now in the United States Treasury exceeds that of any previous time in the history of the country and with one possible exception it exceeds that of any country at any time in the history of the world. The single reported exception is that of Russia about eight years ago, when that country was preparing to resume gold payments. At that time Russia is said to have had in its treasury $598,000,000 in gold. August 31 the vaults of the United States Treasury contained $573,936,194, an increase since July 1, 1901, of $79,087,897. This stock of gold is now being added to at the rate of from $200,000 to $300,000 a day with no immediate prospect of a cessation in the rate of deposits. This condition of things is eminently satisfactory to the treasury officials who regard it as the best possible evidence of prosperity and of confidence in the financial stability of this country.

The gold now coming in is being replaced by gold certificates, United States notes and silver certificates, the former being supplied where the denominations wanted are $20 and over the United States notes for tens and silver certificates for fives, twos and ones.—*Ex.*

PRIVATE INFORMATION

It will be practically impossible for this paper to comment on all propositions offered to the public in one or many issues. We can confine ourselves in each issue to a few topics only. Therefore, if any one of the readers of this paper wishes to have an immediate report, he had better write for same and will receive a reply by mail as soon as investigation is completed, provided a stamped return envelope is enclosed with the inquiry. Other inquiries which fail to contain the postage for reply will be ignored. Under no circumstances will inquiries be answered in the columns of this paper as other publications are doing.

FIRST-CLASS FRAUDS

The daily papers are containing numerous ads like the following one, promising success in speculation by some new plans, which, of course, are only in existence in the imagination of the advertiser:

"Success in Speculation"

$100 invested in grain or stocks by our "safety valve plan" should result in a profit of $500 to $1,000 in 30 days. Write for particulars and send for our free book, "Modern Methods for Safe Investments." RICHARD OLIVER & CO., Bankers and Brokers, Chicago Stock Exchange Bldg., Chicago.

If any man intending to respond to such an advertisement would first inquire of his banker, he will be strongly advised not to send a cent of his money. It is a well-known fact that these parties do not place any speculation, but simply pocket every cent sent to them. Especially is this the case with this fellow Oliver, who has been practicing his fraudulent schemes for a number of years and a short time ago has been arrested by the government authorities and convicted of using the mails to defraud. He himself stated, in court, when pleading guilty, that he has just swindled everybody out of their money. His new safety plan suggests, therefore, nothing but his old tricks.

Readers of advertisements would also do well to leave advertisements like the following unanswered, for a better acquaintance with the advertiser would undoubtedly lead to loss of money:

Marvelous Opportunities to Make

money in stocks, grain and cotton; I want gentleman with $5,000 to join me and share $50,000 profit annually; have an absolutely safe method; investigation solicited.

The New Haven Iron & Steel Co. has declared a dividend of 25c a share, payable September 25.

The Bessemer & Lake Erie Co. will pay October 1 its annual dividend of 1½ per cent to holders of common stock of the Pittsburg, Bessemer & Lake Erie.

Earnings of the American Cotton Oil Co. for the year ending August 31, 1902, are estimated at $1,500,000, applicable to the common stock, being equal to 7¼ per cent.

UNITED STATES STEEL CORPORATION

JOHN W. GATES NARRATES ITS HISTORY.

John W. Gates in a recent interview published in the New York *Commercial-Advertiser*, revealed the secret of the birth of the United States Steel Corporation known to the public as the Steel Trust.

This is his account of how he originated the great steel trust:

"In talking with James J. Hill one evening in January, 1901, he informed me that J. P. Morgan was very much disturbed over the iron and steel situation. The Carnegie Steel Company was threatening to build a large steel tube plant and become a competitor of the National Tube Company, in which Mr. Morgan was largely interested and instrumental as a banker in bringing out.

"After several hours' talk with Mr. Hill I told him that, in my opinion, there was but one way to manage the steel business of the United States, and that was by an actual consolidation, and that if Mr. Morgan would go to work at it right all the iron and steel companies in the United States could be brought into one company.

"Next day Mr. Morgan telephoned me and asked me to come down to the bank and explain what I had said to Mr. Hill. I did so, and outlined to Mr. Morgan a plan for the formation of what was afterward named the United States Steel Corporation.

"I told him about the lines and general terms I thought would have to be adopted to obtain the Carnegie Steel Company, which, being the largest and most aggressive steel works in the world, was the bone of contention among all the iron and steel manufacturers. I assured him that there was but one way to accomplish the consolidation, and that was by getting Mr. Schwab, with whom I was very well acquainted and with whom I had talked about the matter many times, to agree to a plan in advance and submit that plan to Mr. Carnegie and get his approval, and then go ahead and consummate the consolidation.

"Mr. Morgan requested me to see Mr. Schwab and arrange a meeting at his residence. This I did, having first posted Mr. Schwab regarding my former talk with Mr. Morgan on the subject. We finally mapped out a plan, after several hours' talk, that Mr. Schwab thought Mr. Carnegie would agree to, and that I strongly recommended.

"After many conferences with the various concerns that now form the United States Steel Corporation the basis was made and all these properties put together."

Mr. Gates' story of how he rose from a traveling salesman to be a millionaire and one of the greatest financial powers in America is as follows:

"First I started traveling for Isaac L. Elwood. I erected the first corral in the State of Texas, hiring men to help me put it up to show the rangers what use could be made of barbed wire.

"I had not traveled very long when I came to the conclusion that there was more money in the manufacture of barbed wire than there was in selling it at a salary of $100 per month. I had a friend in St. Louis—I was living in Chicago at the time—by the name of Alfred Clifford. Mr. Clifford and I started in to manufacture barbed wire in a very small way. I think we had three barbed wire machines. Our total investment was less than $8,000 to start with.

"The business proved very profitable, and we shortly increased it, not in the same factory, but in an independent factory. We started an unincorporated concern under the name of J. W. Gates & Co., into which eight of us put each $2,500, making a total of $20,000. All of these gentlemen are still alive.

"We declared dividends of about 50 per cent per week. I would travel and sell the wire, come back, invoice it, bill it, paint it, market it and collect the money. I traveled for about two years. Our profits for the first year were $150,000.

"As I was doing most of the work I suggested to six of my partners that they make a give or take offer. They refused, but asked me to make the offer. They accepted my offer, and sold, leaving no one with me but Clifford. Then, in 1880, we incorporated the Southern Wire Company, with a capital stock of $50,000, of which I was the owner of 48 per cent, Mr. Clifford 48 per cent and a Mr. Rowe 4 per cent. Profits for the next year were $188,000.

"One of the parties of the Big Eight, Mr. Edenborn, went into opposition to us. At the end of three years our plant was destroyed by fire. The morning after the loss I called up Mr. Edenborn and suggested that he meet me and Mr. Clifford and see if we could not agree upon a consolidation. Within fifteen minutes we had reached an agreement, so that we erected the new works out where the Edenborn plant was located.

"Then we concluded to build a mill near Pittsburg, and selected Rankin as a site. In 1884 we began the erection of what is now known as the Braddock mill. We started in to build a mill that would cost us $110,000. We concluded that we would incorporate for $100,000 and borrow the $10,000. Before we had completed the mill $250,000 had been expended, and we were obliged to borrow $150,000. Mr. Clifford, Mr. Edenborn and myself always went on the notes of the company jointly to make them good.

"We began operations in the mill early in 1886, and I went abroad for the purpose of buying steel, it being unobtainable in the United States—I mean steel billets. I purchased about 50,000 tons of steel in Great Britain for shipment via Baltimore to the Rankin mill.

"I had great difficulty in obtaining a bankers' credit to satisfy the European makers. Finally I called upon Mr. Morgan, and he very cheerfully gave us credit for £60,000 sterling, which was more money than we were worth.

"Owing to our exceedingly large purchase in Europe the price of steel advanced $5 to $10 a ton, which meant a profit to us of from $250,000 to $500,000. I sold 10,000 tons of the steel to the Carnegie Company without touching it, simply delivering the shipping documents to them, and thereby made $100,000 net profit. The balance of the steel we worked up into rods and wire.

"Our profits in the manufacture of wire in 1885 were very small, caused largely by the Grant-Ward panic. The year 1886 was fairly good. In 1887 we realized the profits of the steel purchased in Europe in 1886, together with the steel sold to the Carnegie-Phipps Company. We settled with them by taking their notes at four and six months.

"In 1887 we increased the capital stock of the Braddock Wire Company from $100,000 to $500,000, and paid a cash dividend of $100,000—making a 500 per cent dividend as the result of work during 1884, 1885, 1886 and 1887.

"During all these years we were in bitter litigation with the Washburn & Moen Manufacturing Company and I. L. Elwood on account of barbed wire patents. Our customers all over the United States and in foreign countries where we were trying to work up a trade were harassed to such an extent that between the years 1880 and 1890 we paid out on account of patent litigation more than $1,000,000.

"In 1890 I persuaded Mr. Elwood and the Washburn & Moen Company that they had better sell their patents to a new company, which I would organize, that would own all the patents on barb wire and barb wire machinery. The patents all went into what was known as the Columbia Patent Company, of which I was president, and we had practically a monopoly of the wire fence business. This company operated until the expiration of the patents, and for many months paid dividends of 100 per cent per month. Its capital was $100,000.

"In 1892 we took in the Lambert & Bishop Wire Fence Company of Joliet, Ill., and we purchased the Baker Wire Company of Lockport, Ill., giving our unsecured notes at one and two years. We paid off all of the notes within a year.

"In 1888 I bought control of the Iowa Barbed Wire Company of Allentown, Pa. Its capital stock was $400,000 and the bonded debt $150,000. It had a floating indebtedness of $700,000, and was of course absolutely bankrupt. But we did not know it. I divided my interests with my partners, Mr. Clifford and Mr. Edenborn, giving them all they cared to take. Confronted with an enormous floating debt, we put it all into the shape of notes. In twelve months they were all paid off.

"In 1892 we consolidated the Iowa Barbed Wire Company of Allentown, the Braddock Wire Company of Pittsburg, the Southern Wire Company of St. Louis, the Baker Wire Company of Lockport, and the Lambert & Bishop Wire Company of Joliet into the Consolidated Steel and Wire Company, with an actual paid in capital of $4,000,000. I managed that company's affairs from 1892 till some time in 1895, during which period the average net earnings were between 27 per cent and 28 per cent, or about $1,100,000 per annum.

"In 1895 I was elected president of the Illinois Steel Company. I had acquired an interest of about 27,000 shares, which I bought at around $30 per share."

At this point in his narrative Mr. Gates ceased divulging his profits, which are figured by the millions since 1898. He told briefly of the organization in 1898 of the Federal Steel Company, with a capital stock of $98,000,000, to take in the Federal Company, and several other companies. He explained the consolidation of many wire concerns into the American Steel and Wire Company with a capitalization of $90,000,000. Then followed his account of how he suggested to Mr. Morgan the billion trust, which swallowed all the Gates concerns, as well as those of Carnegie and other iron masters.

THE END OF THE KLONDIKE BOOM

The report recently issued by George H. Hees, who was sent to Dawson by the Canadian Manufacturers' Association to investigate the business prospects of the Yukon district, is decidedly pessimistic. The total yield of gold last year in the Klondike was $24,000,000. The production of the coming year, according to the government estimates, will not exceed $14,000,000, a falling off of nearly one-half. No new discoveries have been made for over a year, although since 1897 thousands of prospectors have been exploring every creek and mountain in the country. At Dawson Mr. Hees reports ten applicants for every job, yet boat after boat load of misguided men continue to arrive.

The foolish yarns of fabulous fortunes made in the Klondike, which have been circulated by transportation companies and other interested parties, have resulted in considerable distress throughout the region because of the constantly increasing number of would-be prospectors who are unable to either secure work or to return home.

PENNSYLVANIA

The Great Appreciation of Controlled Stocks.

Pennsylvania, the great trunk line of the east, which has just reported an increase of about $2,000,000 in net earnings for July, and whose stock advanced 6 points in one day last week, sending it temporarily, for almost the first time in history, several points above New York Central, is at the moment the subject of an unusual amount of interest.

In the face of this, the advance in Pennsylvania stock as compared with the price ruling a year ago, or early in July, 1901, has been only from about 160 to 168, or $8 per share.

Consideration of the figures will show that, including Pennsylvania's equity in the earnings of the railroads, in which Pennsylvania is interested and which it controls net earnings for the twelve months ending July 31, 1902, show an increase of no less than $9,000,000, an amount equal to more than 4.4 per cent on $204,572,000 outstanding stock.

Over substantially the same period, the market value of the stocks in these roads and other companies which Pennsylvania owns has appreciated some $12,400,000.

Many of the stocks of the roads in which Pennsylvania is a large owner have recently advanced extensively, thereby adding to the marketable valuation of these assets, which before were selling materially above what they cost the Pennsylvania.

Probably few people have taken the trouble to figure up what this appreciation on Pennsylvania's holdings represents. On this point, a comparison of present market prices of these stocks with their price at the close of their fiscal years twelve months ago will serve for illustration.

	Present market price.	Market price June 30, 1901.	Advance.
B. & O com	115	109	6
B. & O. pfd	95	94	1
C. & O	56	49	7
N. & W. com	75	52	23
N. & W. pfd	95	90	5
Long Island	85	75	10
Pa. Steel	47	47	..
Pa. Steel pfd	103	89	14
Cam. Steel	28	26	2

Pennsylvania is understood to have very recently been adding to its holdings, and as the interest exhibited in the following enumeration includes only what has been officially or semi-officially acknowledged the enhanced value in the aggregate may be taken as rather more than the amount indicated.

	Pennsylvania's minimum interest, shares.	Increase market value.
B. & O. com	187,160	$ 1,684,440
B. & O. pfd	274,800	274,800
C. & O.	116,300	814,100
N. & W. com	265,000	6,095,000
N. & W. pfd	55,000	275,000
Long Island	67,980	679,800
Pa. Steel	100,000	......
Pa. Steel pfd	100,000	1,400,000
Cam. Steel	585,000	1,170,000
Total increase, market value		$12,393,140

The Pennsylvania statement for the seven months ended July 31, 1902, showed an increase in gross earnings of $10,734,100 and of $3,915,300 in the net. Reference to the preceding statements in 1901 make it possible to show what the increase has been for the year ended July 31, 1902. It shows, including Pennsylvania's proportional interest in the earnings of the other roads in which it is interested, substantially as follows:

TWELVE MONTHS' GROSS INCREASE.

Pennsylvania, 7 months 1902 increased	$10,734,100
Pennsylvania, 5 months 1901 increased	6,858,809
Pennsylvania, 12 months ending July 31, 1902, increase	$17,592,909
25 per cent B. & O., 12 months ending July 31, 1902, increase	1,100,058
20 per cent C. & O., 12 months ending July 31, 1902, increase	230,567
40 per cent N. & W., 12 months ending July 31, 1902, increase	549,254
56 per cent Long Island, 12 months ending July 31, 1902, increase	372,315
Total	$19,845,1

The proportional interest for Pennsylvania in the earnings, as indicated, is on a basis of its proportional interest in the common stocks, as the increase in earnings, generally speaking, is applicable to the common share capital of these companies.

TWELVE MONTHS' NET INCREASE.

Pennsylvania, 7 months 1902 increased	$3,915,300
Pennsylvania, last 5 months 1901 increased	2,628,200
Pennsylvania, 12 months ending July 31, 1902, increase	$6,543,500
25 per cent B. & O., 12 months ending July 31, 1902, increase	570,267
20 per cent C. & O., 12 months ending July 31, 1902, increase	64,045
40 per cent N. & W., 12 months ending July 31, 1902, increase	409,066
56 per cent Long Island, 12 months ending July 31, 1902, increase	*300,000
65 per cent Camden Steel, 12 months ending July 31, 1902, increase	*500,000
About 100 per cent Pa. Steel, 12 months ending July 31, 1902, increase	*750,000
Total	$9,136,878

*Estimated.

In comparison with many other standard stocks, Pennsylvania stock has as yet had but a small advance in the market—an advance significantly small in these days of $200 railroad stocks, when the enormous increase in Pennsylvania's earnings and the enhancement of its treasury assets are considered.

A MARKET WITHOUT A PUBLIC

Never has there been an upward movement of importance in Wall street, until now, without a "public."

It has always been considered a matter of the utmost importance in Wall street to so conduct a movement as to invite and obtain public participation.

Many new features have been developed in the country and in Wall street during the speculative era beginning in 1895 and continuing to the present time with its varying phases, but with the price of securities averaging higher from year to year until now in the second year of the new century they are at the very highest point.

During this period of extraordinary advances, in which prices have risen in most of the old standard stocks from 50 to 175 per cent, there has always been a "public" participating active, alert and confident. Leaders have sought its support and recognized its power. It has been the medium through which transactions mounted up million by million when on May 7 they reached the remarkable total of 3,300,000 shares.

This was a "public" market, one in which great lines of stock were bought and sold.

Since then, and partially as the result of operations which culminated two days later, May 9, the public interest in the market has been a diminishing one.

The stocks which at that time became concentrated in few hands still remain there, and others have been gathered in from the public until few remain beyond the control of the leading operators and combinations. Several attempts have been made to again create a public interest of a general character; thus far they have failed. The public recognizes the largely concentrated position of stocks, regards the prices as high and as a "public" have refused to lend their aid to advance prices to a higher plane of values.

Failing in inducing the public to take over the stocks held by combinations, cliques and pools at prices which appear very high, effort has been made through clique operations, violent advances, new combinations and pool operations, and the further aid of the watering process through which the apparently impossible prices to which stocks have been bid up are to be made to look more reasonable by their multiplication until prices look low, though really higher than ever, to incite again public interest.

So far outside of that class of traders, operators and pools indigenous to Wall street, the "public" still hold aloof.

Brokers' offices and commission house firms formerly filled with customers and loaded down with orders are doing nothing; they served the "public" when participating in the great markets, but as the public are now not interested they are idle.

A dozen firms conducting operations for the large operators, the cliques and pools divide among them the half a million or more shares that represent the trading of the day, but the "public," that great lever, the thousands and thousands contributing their smaller orders, but making a grand total, are not operating. They are out of the market, and we think wisely show a disposition to remain out—onlookers until some of these concentrated holdings are again distributed.

And now as the "public" refuse to come in, it is declared they are not needed or wanted, and a tremendous bull campaign is to be conducted without them.

Or possibly they may be admitted when from the present level prices shall be still further advanced, but now the public is invited to remain out till called.

Thus far they have shown no feeling over the slight or manifested any disposition to intrude their presence upon those in charge.

It is a market without a "public," an anomaly in Wall street, and it will be interesting to note how it will work out, and whether when the public again enter it prices will be higher or lower.—*Daily Financial News.*

NATIONAL BANK NOTES OUTSTANDING

Comptroller of the Currency William B. Ridgely, in his statement of August 30, gives the total value of national bank notes outstanding as $361,282,691, which is divided among the several denominations as follows:

One dollar	$ 346,371
Two dollars	166,170
Five dollars	56,915,175
Ten dollars	145,518,840
Twenty dollars	108,789,440
Fifty dollars	16,026,650
One hundred dollars	33,361,200
Five hundred dollars	98,500
One thousand dollars	25,000
Fractional parts	35,345
Total	$361,282,691

—*Exchange.*

$150,000,000 EARNINGS

A director of the United States Steel Corporation says: "Net earnings for the second fiscal year of our company will aggregate over $150,000,000, or $40,000,000 above those of the first year. This is an increase of about 8 per cent on the common stock. The earnings during the months of October and November will exceed all previous earnings. As soon as the trouble over this fuel shortage is passed everything will be running smoothly."—*Ex.*

COPPER INVESTMENTS

They Have Been the Most Profitable in the History of the World's Investments.

$1,000.00 invested in the Tamarack in 1890 is now worth $6,320,000.00.

$1,000.00 invested in the Boston and Montana in 1893 is now worth $18,660.00.

$1,000.00 invested in the Butte and Boston in 1896 is now worth $56,000.00.

$1,000.00 invested in the Wolverine in 1893 is now worth $56,000.00.

$1,000.00 invested in the Calumet and Hecla in 1880 is now worth $76,500.00.

$1,000.00 invested in the Home in 1899 is now worth $85,000.00.

$1,000.00 originally invested in the Copper Queen is now worth $800,000.00.

$1,000.00 originally invested in the United Verde is now worth $1,000,000.00.

BANK STOCKS PAY WELL

According to an eastern authority bank stock in New York has been an exceedingly profitable investment. The largest earnings on stock for the six months ended June 30 for any New York bank was shown by the Fifth Avenue Bank, which earned 109 per cent. The Chemical earned 88 per cent; State, 56 per cent; Lincoln, 53 per cent; Washington Heights, 52 per cent, and Chase 41 per cent. Of the three great banks, with $10,000,000 capital, the City earned 11 per cent, Commerce 8 per cent and the First National 16 per cent."

The above is an excerpt from an Eastern exchange. The enormous profits these financial institutions have earned for their stockholders have only been made possible by the great prosperity of the country.

Money is so plentiful in the East that the interest paid on savings accounts has been at the lowest rate in the history of the banking business. It is even said that some of the principle banks in the city of New York not only do not solicit savings accounts, but in instances will not accept any because their vaults are so crowded with money which it is impossible to place out on good loans at a satisfactory rate of interest, to permit the interest being paid on savings accounts and leave a margin of profit to the bank.

NEW NATIONAL BANKS DURING AUGUST

There were organized during the month of August 42 national banks, with an aggregate capital stock of $1,430,000 and bonds as security for circulation of $447,050. Thirty-one of the banks, authorized by the act of March 14, 1900, have individual capital of less than $50,000, aggregating $825,000, and the other 11, authorized by the original bank act, have individual capital of $50,000 or more, aggregating $605,000.

From March 14, 1900, to August 31, 1902, 1,141 banks, with aggregate capital stock of $65,534,500, were organized. Of that number 146 associations, with aggregate capital of $10,585,000, were conversions of state banks; 315, with aggregate capital of $20,335,000, reorganizations of state and private banks, and 644, with aggregate capital of $34,614,500, primary organizations. The number of active banks has increased from 3,617 on March 14, 1900, to 4,616 on August 31, 1902; authorized capital stock, from $616,303,096 to $707,774,695; bonds on deposit as security for circulation, from $244,611,570 to $322,941,680, and bond-secured circulation, from $216,374,795 to $319,407,586. Circulation secured by deposits of lawful money on account of insolvent and liquidating associations and by those reducing their outstanding issues has increased from $38,027,935 to $41,875,105. —*Exchange.*

Earnings of railways in the United States during August were 3.6 per cent larger than a year ago and 18.9 per cent in excess of 1900.—*Ex.*

The Royal Baking Powder Co. has declared a regular quarterly dividend of 1½ per cent on its preferred stock, payable September 30.